



# Hart Schaffner & Marx

Eighth Annual Report, November 30, 1918  
with  
Auditors' Certificate

# Hart Schaffner & Marx

Chicago

New York

New York, January 27, 1919

To the Stockholders:

The Board of Directors herewith submits to you the financial statement of the Company for the fiscal year ending November 30, 1918, together with the report of the auditors, Messrs. Price, Waterhouse & Company, Certified Public Accountants.

The Company's condition is highly satisfactory. The volume of sales has continued to expand; the decrease in net profits and in the amount carried to surplus is due entirely to the full provisions made for Federal taxes and for proper reserves.

Yours truly,

HARRY HART,

*President*

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## Auditors' Report

To the Stockholders of  
Hart Schaffner & Marx

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal year ending on November 30, 1918, and certify that the attached Balance Sheet and Income Account are correctly prepared therefrom.

The Merchandise and Materials on hand, as shown by Inventories certified by the responsible officials, have been valued at or below Cost, and liberal reserves have been made for Bad and Doubtful Accounts Receivable, Discounts and other contingencies. The Cash and Bank Balances have been verified by actual count or by certificates obtained from the depositaries, and we have satisfied ourselves that full provision has been made for all ascertained Liabilities; and

WE CERTIFY that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company on November 30, 1918, and that the relative Income Account is a fair and correct statement of the Net Profits and Income for the year ending on that date.

PRICE, WATERHOUSE & CO.,

*Certified Public Accountants*

Chicago, January 27, 1919.

# Hart Schaffner & Marx

Balance Sheet, as at November 30, 1918

## Assets

GOODWILL, TRADE NAMES AND TRADE MARKS.....		\$15,000,000.00
SHOP EQUIPMENT AND FIXTURES, INCLUDING OFFICE FURNITURE.....	\$518,579.34	
LESS—Depreciation Reserve .....	<u>287,315.35</u>	231,263.99
<b>CURRENT ASSETS:</b>		
Inventories of Materials and Finished and Partly Finished Merchandise on hand and in transit (at or below Cost, less Reserve).....	\$5,307,681.02	
Accounts and Bills Receivable (Net).....	4,636,755.63	
Liberty Loan Bonds (Less Payments by Employees).....	527,683.05	
Cash in Banks and on Hand.....	<u>1,712,124.95</u>	12,184,244.65
<b>DEFERRED CHARGES TO FUTURE OPERATIONS:</b>		
Prepaid Insurance, Interest and Rent.....		40,686.40
		<u>\$27,456,195.04</u>

## Liabilities

<b>CAPITAL STOCK:</b>		
7% Cumulative Preferred Stock—		
Originally Authorized and Issued—		
50,000 Shares of \$100.00 each.....	\$5,000,000.00	
<b>LESS:</b>		
Redeemed and Cancelled—16,039 Shares of \$100.00 each .....	\$1,603,900.00	
Purchased during the year and held in the Treasury for cancellation—646 Shares \$100.00 each .....	<u>64,600.00</u>	1,668,500.00
		<u>\$3,331,500.00</u>
<b>Common Stock—</b>		
Authorized and Issued—		
150,000 Shares of \$100.00 each.....	<u>\$15,000,000.00</u>	\$18,331,500.00
<b>CURRENT LIABILITIES:</b>		
Bills Payable .....	\$1,800,000.00	
Accounts Payable, Accrued Payrolls, etc, including		
Estimated Provision for Federal Taxes.....	2,412,634.46	
Preferred Stock Dividend (Payable Dec. 31, 1918)...	<u>58,301.25</u>	4,270,935.71
<b>RESERVE FUNDS:</b>		
Preferred Stock Redemption Fund.....	\$1,668,500.00	
Reserve for Contingencies.....	<u>150,000.00</u>	1,818,500.00
<b>SURPLUS, as per Statement attached.....</b>		<u>\$3,035,259.33</u>
		<u>\$27,456,195.04</u>

## Income and Surplus Account For the Year Ending November 30, 1918

Profits for the year after deducting Manufacturing, Marketing and Administrative expenses; Allowance for Depreciation of Equipment and estimated Federal Income and War Excess Profits Taxes.....		\$1,567,371.33
<b>DEDUCT—Interest Paid, less Interest Received.....</b>		<u>86,355.89</u>
Net Profits and Income for the year.....		\$1,481,015.44
<b>ADD—Balance of Surplus at December 1, 1917.....</b>	\$2,720,124.85	
Adjustments applicable to prior periods.....	<u>35,847.80</u>	2,755,972.65
Together .....		\$4,236,988.09
<b>DEDUCT—Appropriations therefrom:</b>		
Dividends paid and declared—		
Preferred Stock, 7% per annum.....	\$234,617.64	
Common Stock, 4% per annum.....	<u>600,000.00</u>	834,617.64
Preferred Stock Redemption Fund.....	64,600.00	
Premiums on Preferred Stock purchased.....	2,511.12	
Reserve applicable to Inventory Values and Liquidation of Receivables..	<u>300,000.00</u>	1,201,728.76
Total Unappropriated Surplus at November 30, 1918, as per Balance Sheet.....		<u>\$3,035,259.33</u>